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C O N F I D E N T I A L SECTION 01 OF 02 KIEV 002462

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E.O. 12958: DECL: 06/22/2016 TAGS: <u>PGOV PINR SOCI UP</u>

SUBJECT: UKRAINE: SPURNED REGIONS VOWS TO "PAINT FENCES"

WITH TYMOSHENKO'S BLOOD

REF: A. KIEV 2316

¶B. KIEV 2461

Classified By: Charge d'Affaires a.i., for reasons 1.4 (b) and (d).

Summary and Comment

- 11. (C) Following the June 22 formation of parliamentary majority of the Tymoshenko Bloc (BYuT), Our Ukraine (OU), and the Socialists, the direction of the spurned Party of Regions was being taken over by party "radicals," according to moderate Regions deputy leader Volodymyr Makeyenko. Bombastic MPs like Yevhen Kushnaryov and Valentyn Landyk were now in the ascendancy, lamented Makeyenko. At an impromptu Regions caucus following the coalition announcement, Kushnaryov had told the assembled MPs that Regions would do everything it could to "destroy Tymoshenko and her cabinet.' Kushnaryov predicted that the new coalition would only last until September and boasted that Regions would "paint fences" with Tymoshenko's "blood and guts." Earlier on June 22, Regions MPs had expressed confidence that there would be no Orange Coalition formed and that they would then take control of the government formation process. Tymoshenko and BYuT contacts had alleged to us for weeks that Regions had attempted to buy an undetermined number of Orange MPs to create their own effective majority. The potential turncoats were clearly not as firmly in Regions' pockets as they had believed. A downbeat Makeyenko, who told us he and other moderates had been embarrassed by Kushnaryov's antics during the recent Sea Breeze protests in Crimea (ref A), predicted that Regions would now beat the "federalism" and "Russian language" drums harder than ever. He added that Regions had already fired its first shot at Tymoshenko, voting at the caucus to authorize the Regions-controlled oblast councils in Luhansk and Donetsk to withhold tax payments to the central government.
- ¶2. (C) Comment: Makeyenko may be painting too extreme a picture of shifting dynamics inside Regions. He has admitted to us in the past that "Donetsk" really does run Regions. Kharkiv-based Kushnaryov and Luhansk-based Yefremov won't ultimately call the shots; Party financier Akhmetov and his Donetsk associates will. At the close of the June 22 Rada session, deputy BYuT leader Oleksandr Turchynov extended an olive branch to Regions and called for dialogue over government/rada positions (ref B). Still, Regions is licking its wounds in the aftermath of a development creation of the BYuT-OU-SPU parliamentary majority they apparently genuinely believed would never coalesce. End summary and comment.

Regions: Party Radicals Now In Charge?

13. (C) Party of Regions MP and deputy leader Volodymyr

Makeyenko, one of the party's more moderate voices and a longtime embassy contact, privately gave us a readout on an impromptu Regions caucus held during a 90 minute break following the June 22 announcement of the formation of an Orange coalition (ref B). The "radicals" within the party were now in charge, Makeyenko claimed, specifying that bombastic MPs Yevhen Kushnaryov, Valentyn Landyk, and, to a lesser extent, Oleksandr Yefremov were moving into the ascendency.

"Paint Fences" With Tymoshenko's Blood

14. (C) During the caucus, which was attended by Regions' financier Rinat Akhmetov, Makeyenko related that Kushnaryov had fired up the Regions troops, still smarting from Yuliya Tymoshenko's rhetorical whipping during the morning and the confirmation of the formation of a parliamentary majority by a "Coalition of Democratic Forces," by declaring that the party would do everything it could to "destroy Tymoshenko and her cabinet." The acerbic Kushnaryov told the assembled MPs that Tymoshenko "resents us, hates us and will not give us anything" in the new coalition government. Using a Russian idiom, Kushnaryov vowed that, in return, Regions would "paint fences" with Tymoshenko's "blood and guts." Additionally, Kushnaryov predicted that the "Coalition of Democratic Forces" would only last until September.

Behind The Fury: Regions Scorned and Duped?

15. (C) The intensity of the outrage may stem from Regions' sense that it had been double-crossed. Tymoshenko Bloc MP and foreign policy guru Hryhoriy Nemyria asserted to Charge on June 22 that Regions had, prior to the start of the day's

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Rada session, bribed an undetermined number of Orange MPs, who reportedly had signed statements in support of Regions. According to Nemyria, Regions leaders had been mistakenly confident that these potential turncoats were firmly "in their pocket" and available to help block the Orange coalition formation and/or elect Regions leader Viktor Yanukovych as the new Rada Speaker.

16. (C) BYuT has asserted for weeks that Regions was attempting to buy Orange MPs. Regions MPs were busy working the halls before the start of the June 22 session hinting to us that Regions had a "surprise" in store and that no orange coalition would form. On his way to the Regions caucus following the announcement of the formation of the parliamentary majority, an agitated Akhmetov told a small group of reporters and diplomats that he was "certain" that there were not enough valid signatures on the coalition agreement. After the announcement that Rada Secretariat had in fact verified 239 valid signatures on the agreement (ref B), an exasperated Kushnaryov unsuccessfully called for each of the 239 MPs to stand and publicly acknowledge that they had signed the document.

What It May Mean: Center-province showdown in the offing?

17. (C) A dejected Makeyenko, who previously told us he and other moderates had been embarrassed by the antics of Kushnaryov and other radicals during the recent Sea Breeze protests in Crimea (ref A), predicted that Regions would respond by beating the "federalism" and "Russian-as-second-State-language" drums harder than ever. Makeyenko added that the caucus fired the first shot in its "total war" on Tymoshenko by authorizing the Regions-controlled oblast councils in Donetsk and Luhansk to begin withholding tax revenue from the central government. Gwaltney